What will ILC do for the Marine Corps?
Objectives and Measures

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Overview

- Background
- Methodology
- ILC overarching objectives and measures
- Objectives and measures for individual ILC initiatives

Situation & Challenges

- The **ILC goal** is to improve the capability of the warfighter by removing the logistics burden and streamlining the system.
  - Efficiencies from consolidation are expected
- The ILC Center is responsible for centralized oversight of the ILC initiatives
  - Provides guidance on specific objectives and performance measures for the program
- MATCOM is responsible for SECREP Management and 4th EOM Consolidation execution
  - COMMARCORMATCOM is held accountable for realizing ILC objectives

Methodology & Assumptions

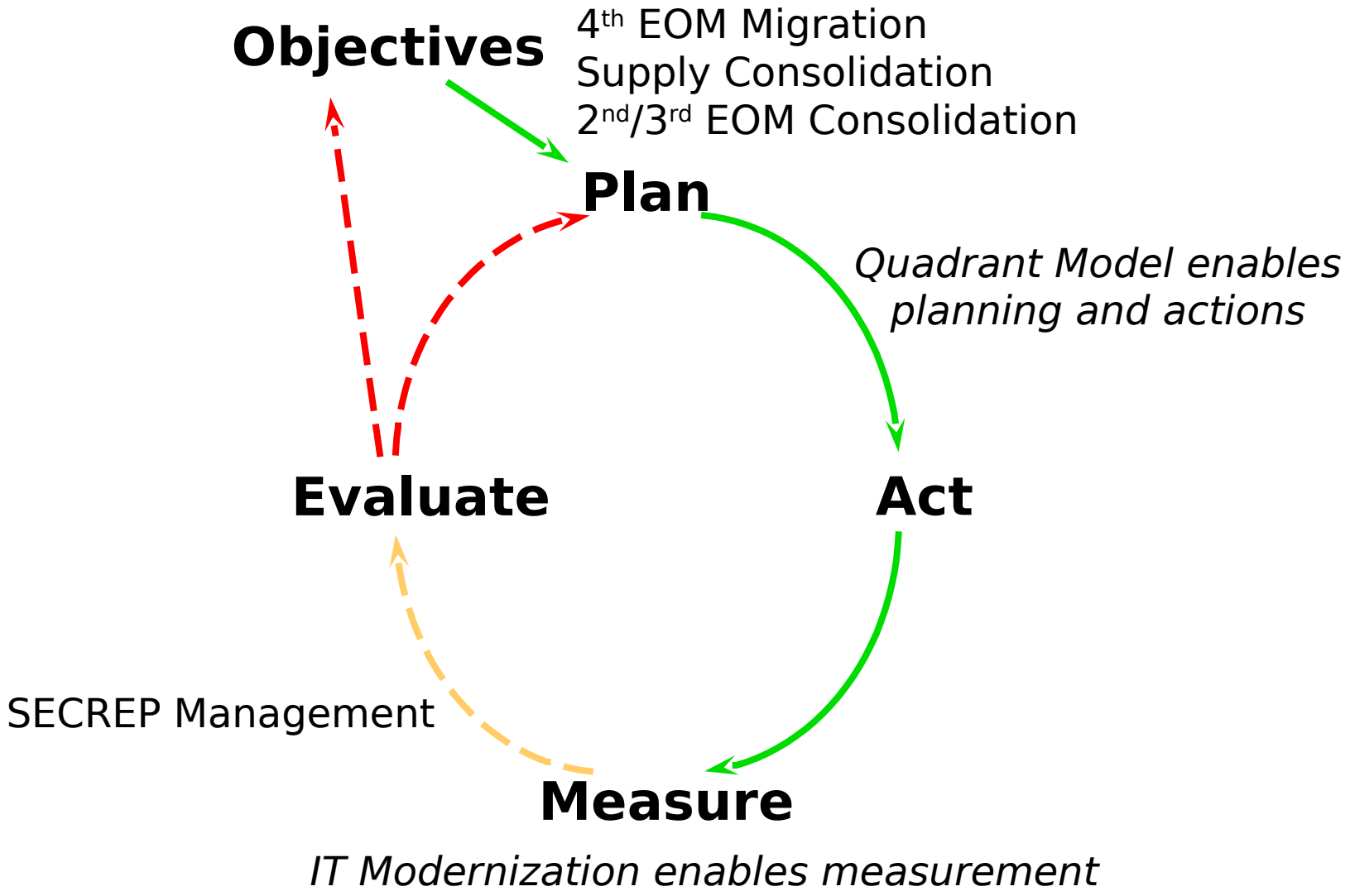
Methodology

- Translate ILC Goal into quantifiable objectives
- Develop and recommend ILC overarching objectives and performance measures
  - ILC Business Case Analysis and Executive Checkpoints
  - ILC Strategic Timeline
- Develop and recommend objectives and performance measures for each of the ILC initiatives
  - WIPT Charters and Progress Reports
  - ILC Business Case Analysis

Assumptions

- ILC Business Case Analysis represents Marine Corps expectations
- Objectives will be refined by the ILC Center as initiatives mature and performance measures reported
- Inventory reductions apply to Class I, II, III, IV, VIII, IX
- Process reengineering and information management are key to ILC success

Objectives can be revised!



Overarching Goals of ILC

- Improve support to the warfighter
- Remove logistics burden from the warfighter
- Allow the warfighter to focus on core competencies

- These goals are very general
  - Next step is to determine specific actions that support these goals
  - To focus effort effectively, a set of quantifiable objectives is required
  - These objectives will be adjusted as the project matures

How will ILC enhance support to the warfighter?

- **Reduce repair cycle time 35% by FY06**
  - Baseline 53 days FY98
- **On average, reduce the contingency sustainment footprint 45% by FY06**
  - Baseline 231792 stons FY98
  - Prioritize reductions to mitigate risk
  - Larger reductions in Class I, II and IV possible with limited risk
  - Reductions in Class IIIp and IX will have large risk
- **Reduce Marine Corps inventory carrying costs 50% by FY06**
  - Baseline $240M FY98
- **Adjust Marine Corps held inventory – reduce stocks by 50% by FY06**
  - Baseline $1.2B FY98
- **Realign in garrison supply/maintenance structure –reduce structure by 20% by FY06**
  - Baseline 4474 maintenance/supply billets per MEF FY98
  - Baseline 100+ maintenance/supply shops per MEF FY98

ILC Overarching Performance Measures *Two Categories*

- ILC Overarching Performance Measures
  - Operational/Risk, Internal, and Information Management Performance Measures
  - Track impact of ILC on the Marine Corps in terms of changes in effectiveness and efficiencies
- ILC Program Management Performance Measures

- Two categories are necessary to…
  - track costs and benefits of the ILC program
  - calculate an accurate ROI for the ILC program

ILC Overarching Performance Measures

Near Term

- Operational/Risk
  - Repair cycle time
  - Materiel readiness
  - Time definite delivery
  - Customer wait time
- Internal
  - Inventory value and carrying costs
  - Distribution costs
- Information Management
  - Timeliness
  - Usability
  - Resources

Long Term

- Capital Costs
  - Maintenance shop space
  - Repair equipment
  - Tools
  - Publications
- Labor Costs
  - People
  - Training
- Trends in Materiel Readiness

ILC Program Management
Performance Measures

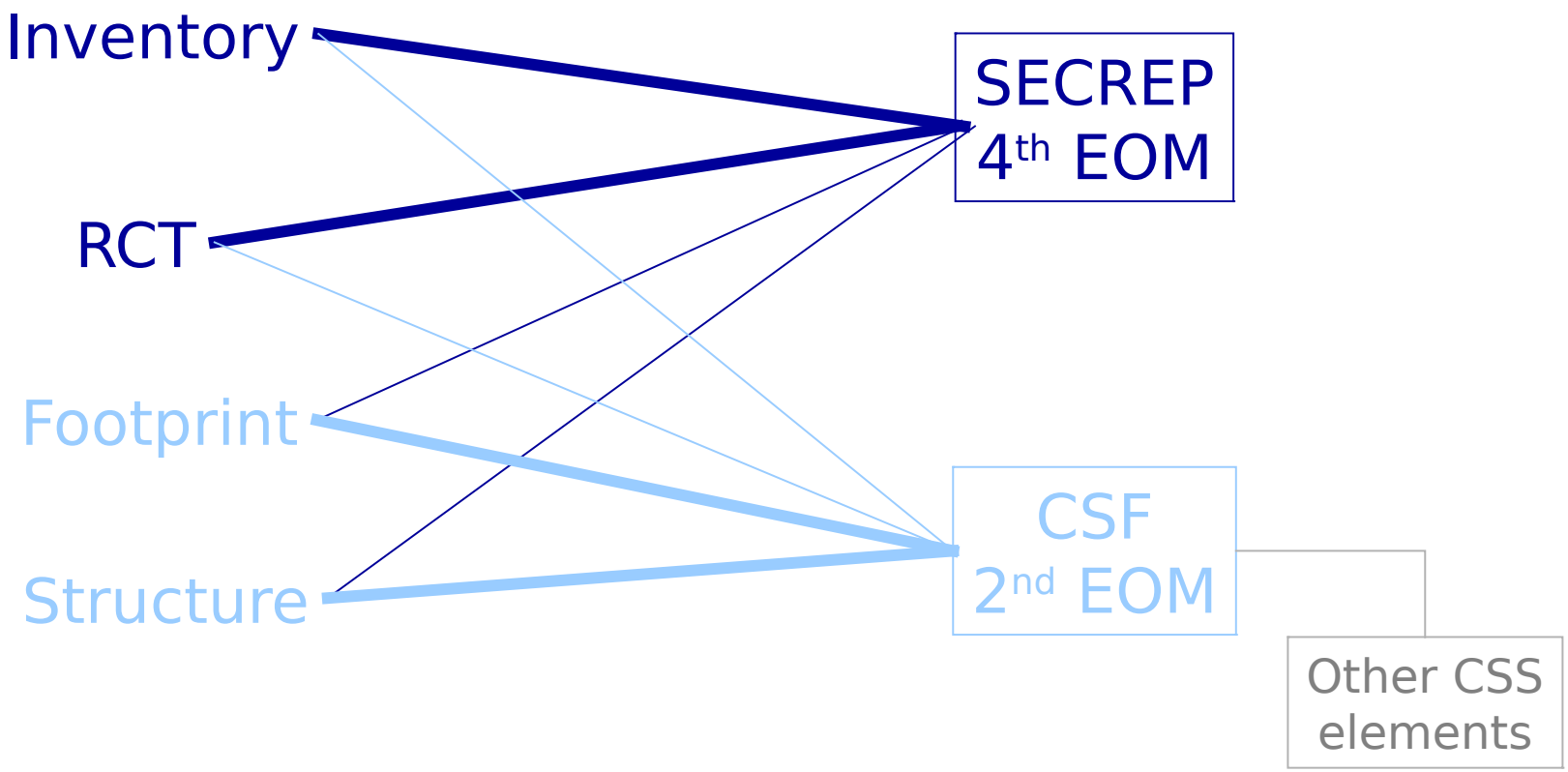
- Operational/Risk Performance Measure
  - Performance as measured by the ILC Overarching Performance Measures
  - Schedule to include a measure of the progress of the program relative to the Strategic Timeline and WIPT POA&Ms.
- Internal Performance Measure
  - Cost to include all resources consumed in support of the ILC (manpower, travel, contracts, administrative, facility, etc.) ESC and WIPTs.

ILC Initiatives

- Centralized SECREP Management
- 4th EOM Migration
- Consolidation of Supply Functions
- 2nd/3rd EOM Consolidation

- Enablers…
  - Information Technology Modernization
  - Quadrant Model

Relationship between objectives and initiatives



IT modernization and Quadrant model enable overall program success!

Centralized SECREP Management

Objectives

- Reduce dollar value of SECREP inventory and carrying costs by location 30% by FY03 and 50% by FY06 (stretch goal)
- Reduce all SECREP customer wait times to less than 5 days by FY03

Performance Measures

- Operational/Risk
  - Customer wait time
  - PEI deadline time due to SECREPs
  - Materiel readiness
- Internal
  - Inventory value and carrying costs
  - Cube of held inventory
  - (Re)distribution costs

4th EOM Migration

Objectives

- Reduce 4th echelon repair cycle time 35% by FY06
- Reduce 4th EOM deployment footprint 80% by FY06
- Contribute to SECREP inventory reduction stretch goal--50% reduction by FY06

Performance Measures

- Operational/Risk
  - Repair cycle time
  - 4th EOM deployed cube
  - Materiel readiness
- Internal
  - Percentage 4th EOM outsourced
  - Changes in inventory and distribution costs will be captured under SECREP management

Consolidation of Supply Functions

Objectives

- Reduce inventory value and carrying costs at the intermediate level 25% by FY04 and 50% by FY06 (stretch goal)
- Reduce customer wait time for all supplies to less than 5 days by FY04
- Reduce in garrison supply structure and capital costs 20% by FY06

Performance Measures

- Operational/Risk
  - Customer wait time for consumable items
  - Time definite delivery
- Internal
  - Inventory value and carrying costs
  - Distribution costs
  - Quantity of supply personnel reassigned
  - Cube of held inventory
  - Capital costs

2nd/3rd EOM Consolidation

Objectives

- Reduce repair cycle time 35% for all equipment repair orders by FY06
- Realign current in garrison maintenance structure and capital costs 20% by FY06

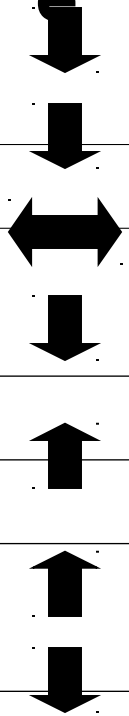
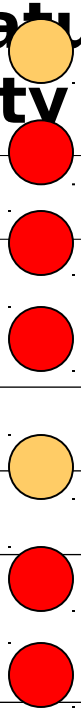
Performance Measures

- Operational/Risk
  - Intermediate level repair cycle time
  - Maintenance deployed cube
  - Customer wait time
  - Materiel readiness
- Internal
  - Quantity of maintenance personnel reassigned
  - Capital costs

Summary of Operational/Risk Performance Measures

Performance measure	Desired outcome	Measure Maturity	Initiative
Customer wait time	⬇	🟢	SECREP, CSF, 2nd EOM
Repair cycle time	⬇	🟢	4th EOM, 2nd EOM
Materiel readiness	⟷ or ⬆	🟢	SECREP, 4th EOM, 2nd EOM
Time definite delivery	⬆	🔴	CSF
Maintenance deployed cube	⬇	🟢	4th EOM, 2nd EOM
PEI/SECREP deadline time	⬇	🟡	SECREP

Summary of Internal Performance Measures

Performance measure	Desired outcome	Measure maturity	Initiative
Inventory value			SECREP, CSF
Inventory carrying costs			SECREP, CSF
Distribution costs			SECREP, CSF
Inventory cube			SECREP, CSF
Percentage of 4th EOM outsourced			4th EOM
Personnel reassigned			CSF, 2nd EOM
Capital costs			CSF, 2nd EOM

Next steps

1. Concur with objectives and measures
   - Objectives will change as initiatives mature
2. Receive approval on objectives and measures from the ILC ESC
3. Communicate objectives and measures to all WIPT chairs
4. Develop detailed definitions of performance measures and identify data sources
5. Develop reporting system
6. Report performance measures monthly